

Fund 403

Sewer Bond Parity Debt Service

Focus

Fund 403, Sewer Bond Parity Debt Service, records debt service obligations incurred from bonds issued in accordance with the 1986 Sewer Bond Resolution. An amount of \$7,255,399 is required for this fund in FY 2005 including \$1,705,000 in principal payments and \$5,545,399 in interest payments for outstanding 1996 Series Refunding Bonds and an amount of \$5,000 for fiscal agent fees. It is important to note that the 1993 Series Refunding Bonds were recalled in FY 2004. All debt service payments are supported by Sewer System Revenues.

The bond proceeds are used to fund a portion of the treatment facility's expansion from 54 million gallons per day (MGD) to 67 MGD, as well as the construction of a nitrification process for the removal of ammonia nitrogen as required by the State Water Control Board. This removal of nitrogen will improve the quality of the effluent produced at the Noman M. Cole, Jr. Pollution Control Plant.

Changes to FY 2004 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2004 Revised Budget Plan since passage of the FY 2004 Adopted Budget Plan. Included are all adjustments made as part of the FY 2003 Carryover Review and all other approved changes through December 31, 2003:

- ◆ There were no revisions to this fund since approval of the FY 2004 Adopted Budget Plan.

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FUND STATEMENT

Fund Type G40, Enterprise Funds

Fund 403, Sewer Bond Parity Debt Service

	FY 2003 Actual	FY 2004 Adopted Budget Plan	FY 2004 Revised Budget Plan	FY 2005 Advertised Budget Plan
Beginning Balance	\$1,205,119	\$1,044,848	\$1,053,274	\$974,177
Transfer In:				
Sewer Revenue (400)	\$13,447,108	\$68,702,004	\$68,702,004	\$6,695,912
Total Transfer In	\$13,447,108	\$68,702,004	\$68,702,004	\$6,695,912
Total Available	\$14,652,227	\$69,746,852	\$69,755,278	\$7,670,089
Expenditures:				
Principal Payment ¹	\$4,535,000	\$61,371,600	\$61,371,600	\$1,705,000
Interest Payments ¹	8,983,281	7,230,404	7,230,404	5,545,399
Fiscal Agent Fees	1,575	100,000	100,000	5,000
Total Expenditures	\$13,519,856	\$68,702,004	\$68,702,004	\$7,255,399
Non Appropriated:				
Amortization Expense ²	\$79,097	\$79,097	\$79,097	\$33,175
Total Disbursements	\$13,598,953	\$68,781,101	\$68,781,101	\$7,288,574
Ending Balance^{3, 4}	\$1,053,274	\$965,751	\$974,177	\$381,515

¹ The bond principal and interest payments are shown as expenditures. However, for accounting purposes, the Consolidated Annual Financial Report will show these disbursements as "Construction in Progress" to be capitalized.

² In order to capitalize the 1996 bond costs, an amount of \$33,175 is amortized for 20 years and designated as an annual non-appropriated amortization expense for the 1996 bond series. The 1993 bonds were recalled in FY 2004; therefore, no amortization of expense is required in FY 2005.

³ In FY 2005, the ending balance of \$381,515 will support the reserves required to cover the remaining amortization of issuance costs for 1996 bonds.

⁴ The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements. Fund Balances fluctuate from year to year based on actual debt requirements and are used to cover amortization of issuance costs.